



To all pilots,

By now, I'm sure you've heard that the NMB has scheduled an election among our pilot group based on signature cards submitted by the International Brotherhood of Teamsters (IBT). I'm equally sure you won't be surprised to hear I'm disappointed by this turn of events. I won't sugar coat it - I don't think it's best for you or for our Company.

I respect your right to vote your conscience. But I'd like to have my say first, and I hope you'll give my opinion some thought.

We started this business in 2001 with one DC9 out of Fresno. We didn't have the size or resources to compete with the big airlines and knew we had to be different to be successful. Today, we are bigger, but more importantly, we have proven our business model. We are different. While all of the titans of the U. S. airline industry have struggled or failed completely over the past 12 years, we have expanded and grown, creating over 2,000 jobs in the process, including more than 300 pilot positions.

While we use aircraft, the unique way in which we utilize them along with our distinct ability to stimulate new customers in new markets are just a couple of the many examples of how we approach this business differently. Critical to our success is simplicity, and part of this simplicity, with respect to labor, has been to focus on annual compensation and simplified work rules versus complex agreements which ultimately inhibit the required planning flexibility of a young growing company like ours. With regard to benefits, we have concentrated on treating everyone the same. Each Team Member is part of the bonus program in one way or another. Everyone has the same 401(k) and health benefits because we have all participated in building this business. We believe this simplified approach has been a significant reason for our success.

But now we have a third party wanting to stand between us. I can't say I understand why that would be better for you (and it certainly won't be better for the Company). I've heard some want "legacy airline-like" work rules. Think hard about that, and take a look around. The IBT is essentially telling you they want to turn Allegiant Travel into a legacy airline. Carriers that have bought into unproductive and complicated work rules have by and large regretted it and later attempted to undo and/or in fact have abolished those items through bankruptcy or concessions. Cost creep wrecks a business, and I will not - regardless of who asks me - agree to things that could sink this business going forward. If we succumb to efforts to create legacy labor agreements we will be starting down the road of our own demise.

If somehow there is a perception a union offers only upside and no downside, think again. Unions, such as the IBT, typically suggest they can deliver many things - it's part of their siren song. But they cannot. They exist principally to serve their own ends - namely, increase their own revenues through membership growth and dues collection. In no way does this help our Company improve productivity. And eventually, lower productivity diminishes our capability for future growth. The IBT will do everything they can to invade our Company and drive a wedge between you and management. They will not share the principles which have made us all successful; a strong work ethic, open communication, company loyalty and pride in the quality of our work.



But understand, if the IBT is voted in, we will start with a clean sheet of paper. Everything would be negotiable, and there may well be improvements that we've made in the past that we wouldn't be willing to put into a union contract, where our ability to modify them to adjust to changed circumstances would be dependent on the union's agreement. And, if you were to ask your IBT reps, and if they are truthful, they will tell you that they cannot guarantee any specific improvement will be achieved.

What won't be in question is that the IBT will do everything in its power to force you to pay dues, (1.5% of your compensation, or thereabouts as I understand it.) And further, I understand they begin accruing your obligation within three months after the election. A first contract, on the other hand, will take years to complete. Think hard about whether this 'new' approach is really in your best interest. Remember all that's good for you flows from the success of the company, not from some third party agent who is in business to collect your dues.

You have an important decision to make. We all tend sometimes to remember and focus on the negative in a situation to the detriment of the positive. As you consider your vote, decide whether you care more about what you don't have - I've heard industry-style training pay mentioned as a beef - versus what you do have. If you look at the increases you have received over time, it is truly remarkable and beats anything you've seen in the traditional airline business - all without years of negotiations, and without a penny of dues money going to a third party. Today, because of our success and *only* our success, you have an excellent package, good wages and benefits, a substantial number of days off and the unusual airline perk of sleeping in your own bed almost every night.

I believe we have a bright future ahead. There are many exciting opportunities in front of us and the last thing I want is a confrontation with you. If you think inviting a third party bargaining agent to the table will improve your lot, then by all means, vote them in. But understand, the relationship will change - its nearly impossible to undo this action. This process has already been elevated to a formal level, with an election imminent. The idea of threatening to vote in a union 'unless' is past.

But you still have the ability to turn this effort back - **just vote no.**

And vote you must (you will have the rules explained to you for the process) if you want to defeat this effort. However, should you vote yes, you can be certain that the company will not roll over and agree to union demands that are geared toward turning us into just 'another f...ing airline'.



Maurice J. Gallagher
Chairman & Chief Executive Officer

